Office of the Associate Minister of Transport

Chair
Cabinet Economic Growth and Infrastructure Committee

RELEASE OF DISCUSSION DOCUMENT – REVIEW OF THE VEHICLE DIMENSIONS AND MASS RULE 2002

Proposal

1. This paper reports on the review of the Land Transport Rule: Vehicle Dimensions and Mass 2002 (the VDAM Rule) and seeks the Committee's agreement to the public release of the Vehicle Dimensions and Mass Rule Review Discussion Document.

Executive summary

2. Changes are needed to improve the productivity of New Zealand's heavy vehicle road fleet if it is to meet the increase in expected demand for freight movements over the next 30 years. If changes are not made the extra freight demand will likely accelerate congestion, reduce road safety and place stress on our roading infrastructure. By regulating how large and how heavy vehicles can be when using the roads, the VDAM Rule strongly influences the performance of the country's heavy vehicle fleet and the road safety risks arising from transport vehicles.

3. A key principle of the review of the VDAM Rule is to achieve greater vehicle productivity through creating incentives for more freight to be carried with fewer trips. Major proposals in the discussion document include:

- Increasing the productivity of heavier vehicles by a small increase in maximum axle and vehicle weights (e.g. increasing from 44 tonne to 45 tonne for 8-axle vehicles)
- Including the extra width and height (25mm) currently allowed for ropes and chains as part of the load carrying space of a vehicle - so giving greater carrying capacity for smooth walled vehicles which don't use external load restraints
- Reducing compliance costs for operators by removing the need for a permit to operate 50MAX vehicles (an efficient class of vehicle weighing up to 50 tonnes)
- Allowing road controlling authorities to approve vehicles not eligible for permits on their roads where appropriate.

4. While analysis of crash risk is on-going, it is anticipated the proposals will lead to a small decrease in the risk of crashes involving heavy vehicles. This anticipated reduction is mainly due to the reduction in heavy vehicle trips needed to complete the freight task, which is expected as a result of the proposals increasing take up of vehicles with greater carrying capacity.

5. An initial cost benefit analysis indicated a net benefit of $634 million over 30 years (net present value), based on what was considered the most likely outcome of the proposed changes. This is in addition to $500 million additional benefit expected from current policies.

6. Discussions with transport industry stakeholders indicate reaction to the proposed changes would be generally positive. There may be some negative reaction to certain aspects of the proposals, e.g. some feeling that the changes could have gone further.

Background

7. About 90 percent of all freight tonnage in New Zealand is carried by road and the amount of freight needing to be transported by road is expected to increase by 58 percent over the next 30 years.[1] Without change this increased demand will result in more heavy vehicles on the roads leading to greater risk of crashes, more congestion and faster deterioration of the roading infrastructure. Improved productivity for our vehicle fleet, especially for heavy vehicles, is therefore needed.

8. By regulating how large and how heavy vehicles can be when using the roads the VDAM Rule plays a significant role in improving vehicle productivity. The Rule has been in place for over 13 years, amended 11 times, but has not been reviewed as a whole.

9. The review of the VDAM Rule will deliver net benefits to New Zealand by optimising the fit between vehicles and the road network, encouraging innovation in New Zealand's vehicle fleet and reducing compliance costs. As far as possible, and with due consideration for safety and network risks, the review has sought to maximise general access for road transport operators to the network.

10. The review has been included in the 2015/16 Transport Rules Programme for policy investigation [EGI-15-MIN-0071].

Proposals put forward in the discussion document

11. The attached *Review of the Vehicle Dimensions and Mass Rule Discussion Document* ('discussion document') sets out a range of options to improve heavy vehicle productivity, reduce compliance costs and promote greater road safety. The main proposals (discussed in more detail below) are:

11.1. Increasing vehicle productivity

- Increase some axle and total vehicle mass limits
- Increase the width limit
- Increase limits on some other dimensions.

1 Ministry of Transport *National Freight Demand Study 2012.*

11.2. Reducing compliance costs

- Allow "50MAX" vehicles to use the 50MAX network without permits
- Allow crane boom sections to be transported in single rather than multiple loads
- Allow road controlling authorities more authority to approve a greater range of heavier vehicles and specialised loads.

12. Many of the changes extend to all vehicles, limits that are already available to some vehicles. Where limits or controls are necessary to manage risks, the review has sought to ensure associated administrative processes are as efficient as possible.

13. The discussion document also seeks comments on a range of proposals and questions relating to the movement of significantly large loads, in particular houses being relocated. This followed recommendations from a Coroner's inquest into a fatal crash involving a car and a house being transported.

14. An initial cost benefit analysis of the proposals indicated a benefit of $634 million over 30 years (net present value), based on what was considered the most likely outcome of the proposed changes. This is in addition to an estimated $500 million of benefit expected over the same period as a result of productivity gains made possible by the introduction of 50MAX and High Productivity Motor Vehicles (HPMV) permitting in 2013.

15. While analysis of crash risk is on-going, it is anticipated, as a result of these proposals, there will be a small decrease in the risk of crashes involving heavy vehicles.

16. The reduction in crash risk is mainly due to the reduction in heavy vehicle trips following from improvements in productivity expected as a result of the proposals. This is especially important as the number of vehicle trips increases to meet the increased amount of freight expected to be transported by road.

Increase axle mass limits

17. The discussion document proposes that axle and total vehicle mass limits be adjusted by extending some of the existing limits and reducing existing tolerance margins (reflecting increased accuracy of weighing devices and changes in vehicle technologies).

18. Current axle mass limits are subject to specified tolerances that can allow vehicles to weigh up to 1.5 tonnes more in total before a penalty applies. The tolerances, when designed, reflected inaccuracies in available weighing mechanisms and conditions beyond the control of vehicle operators (for example, rain increasing the weight of uncovered loads of aggregate materials).

19. Industry stakeholders are concerned that this situation does not allow compliant operators to fully utilise their vehicles' carrying capacity. Cases are known where some operators are disadvantaged in the market because of other operators' willingness to go beyond the existing permitted limits and use tolerance levels as part of normal loading.

20. Under the proposal the existing provision for a total gross vehicle mass limit of 44 tonnes with a tolerance of 1.5 tonnes would change to a gross mass limit of 45 tonnes with a tolerance of 0.5 tonnes. This would apply only to vehicles of 8 axles, which distribute the load more evenly across the pavement and therefore have less impact than a 44 tonne vehicle being carried on 7 axles. There would be comparable rationalisation for vehicles carrying lighter loads.

Increase the permitted width limit

21. While the VDAM Rule establishes a general maximum width for heavy vehicles of 2.50m it also allows a range of exceptions. Some vehicles carrying particular types of loads, such as concrete pipes, are allowed to carry loads up to 2.70m wide. There is also a general provision that allows an additional 0.05m to cover such things as ropes and chains necessary to secure loads. Thus a large part of the current vehicle fleet operates with an effective permitted width of 2.55m. This has the effect of creating two sets of standards depending on whether a vehicle carries a fully enclosed load (2.50m maximum width) or an "open" load such as sawn timber (2.55m).

22. The document proposes a maximum width of 2.55m for all vehicles. This would include any ropes, chains, etc that may be required to secure a load. The effective impact of the change would be to allow enclosed vehicles to expand their load carrying capacity without impacting on safety.

23. The proposed new maximum width would give operators using enclosed load vehicles access to a greater range of vehicles (with potentially better safety technologies and emission controls) built for those markets where the wider standard is used. It also enables local vehicle modifiers more innovation opportunities (particularly when combined with the increased weight and height proposals).

Amend limit on height

24. The maximum height of heavy vehicles is set in the VDAM Rule at 4.25m, with provision for extension to 4.275m to cover such things as load restraining devices. The primary intent of a height restriction is to prevent strikes at tunnels and underpasses. Analysis of safety, productivity and potential infrastructure effects suggests that a maximum height of 4.30m would be more optimal and this is proposed.

25. There is currently a trial for livestock transporters to operate their vehicles at 4.30m high to allow the installation of safety walkways and hinged covers which improve operator safety and animal welfare. The trial appears to be working successfully.

Allow "50MAX" vehicles operating within the High Productivity Motor Vehicles (HPMV) framework to operate without permits

26. The High Productivity Motor Vehicles framework allows divisible loads to go over 44 tonnes and have longer than current 'as-of-right' lengths, but only with a permit and only on roads approved as suitable for such trucks. The discussion document

proposes to remove the requirement to obtain a permit for a subset of HPMV vehicles, referred to as “50MAX”.

27. 50MAX vehicles are able to operate at up to 50 tonnes laden weight subject to design approval by the NZ Transport Agency. The NZ Transport Agency has developed a number of “pro-forma” 50MAX designs that can be adopted by industry as an alternative to gaining specific approval for a unique vehicle design. The transport industry has responded positively and responsibly to the opportunities provided by HPMV. After two years of 50MAX provisions being available, around 5,000 permits had been issued to such vehicles and they have travelled around 250 million kilometres.

28. The process of obtaining a permit imposes administrative and time costs on operators that could be avoided. Removing the permit requirement would remove those costs and may further encourage take up of modern vehicles meeting the required standards. Those vehicles, as well as enhancing productivity, are likely to improve safety and reduce emissions both through the technology the vehicles include and the reduction in truck movements that results.

Allow crane booms to be transported in single loads

29. Currently dismantled crane boom sections are not able to be transported on a single vehicle as they exceed the standard allowable width and are not eligible for an overdimension permit. It is proposed to allow crane booms which can be dismantled to be carried in sections, stacked and side by side to a maximum width of 3.1m and height of 4.5m. This will mean such cranes can be carried on a single load, where route conditions allow, rather than four or more as is currently the case.

Allow road controlling authorities more authority to approve heavier vehicles and specialised loads

30. Currently road controlling authorities (i.e. city and district councils, Auckland Transport and the NZ Transport Agency) cannot grant permits for overweight vehicles that carry divisible loads except for HPMVs. However, some non-HPMV vehicles (such as concrete mixers and rubbish trucks) carrying divisible loads could be more productive if allowed higher axle loads.

31. It is proposed that road controlling authorities be given greater flexibility in the range of overweight permits they can grant. This recognises that road controlling authorities understand the capability of their own networks and can judge the increased levels of road wear and the increased maintenance their communities may be willing to pay for.

Response to a Coroner’s report

32. The discussion document seeks comment on a number of proposals and broader questions about managing the movement of very large loads, especially houses. This follows the recommendations from a recent Coroner’s inquest into a fatality resulting from a crash between a car and a house being transported.

Compliance and enforcement

33. The proposals outlined above are anticipated to contribute positively to improved compliance by operators. The changes will provide operators with a greater range of allowable weight and other dimensions within which to work. The improvements in administrative requirements through changes to permitting regimes will also make compliance less onerous.

Consultation risks

34. There has been active engagement with stakeholders. These include the Road Transport Forum, Heavy Haulage Association, Institute of Road Traffic Engineers of New Zealand, and the Bus and Coach Association.

35. The Ministry of Transport and NZ Transport Agency, who are jointly undertaking the review, expect that stakeholder reaction to the proposed changes will be generally positive. The VDAM Rule is accepted as requiring updating by most participants in the transport sector. However, there may be some negative reaction from particular stakeholders about certain aspects of the proposals. Table 1 outlines issues that may be raised in consultation.

Table 1: Consultation risks and mitigations

Risk	Explanation and mitigation
Some stakeholders may feel that others are obtaining advantages that should accrue to them as well.	Recent changes to axle loadings for High Capacity Urban Buses drew comment from other sections of the bus industry and from the freight sector that changes should have been made more generally to the heavy vehicle sector as a whole. Further consideration has been given to the commentary from all parts of the land transport sector with changes to loadings applied where analysis shows it is appropriate. Where differences still exist this reflects unique circumstances and does not create a disadvantage for others.
Some stakeholders may feel that changes in dimensions should be greater in scale.	Various stakeholders have argued for limits beyond those provided for in these proposals. Arguments for this include overseas jurisdictions permitting higher limits and higher limits providing greater access to a wider range of vehicles. These matters have been considered and the dimensions and mass proposals in the discussion document reflect New Zealand's particular situation, including the differences in its roading structure, and safety issues that arise from, for example, greater width. The increased dimensions should provide more opportunity for operators to obtain vehicles designed for jurisdictions with higher limits.

Risk	Explanation and mitigation
Stakeholder groups with a focus on safety, such as cyclists, may feel the proposals increase risk to them on the roading network.	Overall, it is anticipated the proposals would increase safety for road users – increased carrying capacity should reduce the total number of heavy vehicles using roads and the numbers of trips they undertake and increased take up of vehicles with modern safety technologies. Issues specific to cyclists, including under-run skirts on trucks, are being addressed separately as part of the Government's response to the Cycling Safety Panel's 2014 report. Proposed increases to mass and dimension limits in the discussion document are designed, in part, to accommodate future safety requirements, such as the additional weight of under-run skirts.

36. I consider there is also a risk in not proceeding with consultation, given that many of the proposals respond to concerns raised by stakeholders, especially stakeholders in the freight and passenger service sectors. Some of these proposals, such as changes to width and axle mass standards will affect not only their operations but also their vehicle purchasing decisions.

Proposed consultation process and next steps

37. The Ministry of Transport will publish the discussion document on its website and will e-mail details of the consultation process to known stakeholders. The intended consultation period will start from 9 December 2015 and finish on 17 February 2016. The Ministry and NZ Transport Agency intend to meet with interested stakeholders prior to submissions closing.

38. Following consideration of submissions, a draft amendment Rule to implement proposed changes will be prepared. Submissions will also be invited on the draft Rule. Cabinet approval will be sought for the draft Rule prior to its release for public comment. The final Rule is intended to come into force on 1 November 2016.

Consultation

39. The Treasury, the Ministry of Justice, the Ministry for Primary Industries, the Ministry of Business, Innovation and Employment, the Department of Internal Affairs, NZ Defence Force, the Ministry of Defence, Maritime New Zealand and New Zealand Police have been consulted and their feedback incorporated in the preparation of this paper.

40. The Department of the Prime Minister and Cabinet has been informed.

41. The Minister of Transport agrees with the submission of the paper.

Financial implications

42. There are no financial implications from the release of the discussion document.

Human rights, gender and disability implications

43. There are no human rights, gender or disability implications arising from the release of the discussion document.

Legislative implications

44. There are no legislative implications arising from the release of the discussion document. However, implementation of many of the options set out in the discussion document would require changes to the Land Transport Rule: Vehicle Dimensions and Mass 2002.

Regulatory Impact Analysis

45. The Regulatory Impact Analysis requirements apply to this discussion document. The Ministry of Transport and the NZ Transport Agency believe that the attached discussion document complies with these requirements to an extent that is reasonable given the extent of policy development. A separate Regulatory Impact Statement, incorporating information gained from consultation, will be prepared as part of developing the draft amendment Rule.

Publicity

46. Should Cabinet agree to consultation, the discussion document will be formatted for publication and publicly released for a nine week period of consultation. I will issue a media statement announcing the release of the discussion document, and inviting interested parties to make a submission.

Recommendations

47. The Associate Minister of Transport recommends that the Committee:

1. **note** that the 2015/16 Transport Rules Programme provides for policy investigation a review of Land Transport Rule: Vehicle Dimensions and Mass 2002 (VDAM) [EGI-15-MIN-0071]

2. **note** the purpose of the review of the Vehicle Dimensions and Mass (VDAM) Rule is to investigate whether it is effective, reflects the Government's commitment to better regulation and supports open and efficient transport markets

3. **note** that the proposals to change the Vehicle Dimensions and Mass (VDAM) Rule are intended to encourage innovation in New Zealand's vehicle fleet, especially commercial heavy vehicles, to allow it to efficiently and safely respond to the expected increase in demand for road freight and passenger services

4. **note** the attached "Review of the Vehicle Dimensions and Mass (VDAM) Rule Discussion Document" presents proposals for changes to vehicle dimensions and mass limits and permitting arrangements for heavy vehicles

5. **note** that the main proposals in the discussion document are to:

Increase vehicle productivity

5.1. increase the mass limit for general access to the roading network from 44 tonne to 45 tonne for 8 axle vehicles

5.2. allow small increases in allowable mass for other axle categories

5.3. reduce the weighing tolerance from 1,500kg to 500kg for gross masses of 11,000kg or heavier

5.4. increase the maximum allowable vehicle width from 2.50m to 2.55m

5.5. increase the maximum allowable vehicle height from 4.25m to 4.30m

Reduce compliance costs

5.6. allow the 50MAX class of heavy vehicle to operate on the 50MAX roading network without permit

5.7. allow crane boom sections to be transported in single rather than multiple loads

5.8. give road controlling authorities authority to approve a greater range of heavy vehicles and specialised loads

6. **agree** that the Review of the Vehicle Dimensions & Mass (VDAM) Rule Discussion Document be released for public submission subject to any minor editorial changes

7. **note** that Cabinet approval will be sought for the public release of a draft amendment Rule and associated Regulatory Impact Statement which will be prepared following consideration of submissions on the discussion document

8. **note** that the Associate Minister of Transport intends to publish this Cabinet paper and related Cabinet decisions online, subject to consideration of any deletions that would be justified if the information had been requested under the Official Information Act 1982.

Hon Craig Foss
Associate Minister of Transport

Dated:_____